Executive summary

Africa has rapidly gained attention as the next investment hotspot and is being called “the final frontier.” A decade ago, the worldwide boom in investing in emerging markets initially benefited Africa along with other regions, but today many African countries stand out on their own as highly attractive investment opportunities. The African continent is home to seven of the top 10 fastest-growing economies in the world, and foreign direct investment is rapidly increasing.

European and Chinese companies of all sizes recognized the African opportunity early on and have a head start. Today, American companies are increasingly discussing Africa as a business destination, yet many have not taken the leap. According to Josh Becker, cofounder and CEO of Impele Consulting Group, “We are seeing tremendous growth in interest in Africa [from the US], but not the same growth in action. Companies take their notebooks but not their checkbooks.”

As growth slows in more developed markets, geographic diversification is a logical next step for businesses of all sizes. Many African markets offer attractive opportunities for mid-sized companies, and as an early mover, a company stands to secure the most suitable options as well as the best talent, partnerships, and incentives.

While significant risks remain, we challenge those shying away from investing in Africa to consider the following arguments. First, many of the perceived risks are myths. Second, careful analysis will demonstrate that Africa is not a monolith, and an informed investor can find the right fit. Finally, this is not a journey that a mid-sized company has to take alone. Resources and expertise are increasingly available.

This paper offers a framework that we call the PAL Principles—Be Prepared, Be Adaptive, and Be Local—created from discussions with experts to assist mid-sized US companies in developing and implementing a winning strategy for expanding to Africa.

Mid-sized US companies should not ignore Africa’s transformation into a highly attractive business destination. To capitalize on the burgeoning opportunities, the time to act is now.
# Table of Contents

Executive summary ................................................................................................................................. 1
Introduction: Where Africa stands today ................................................................................................. 4
Chapter 1—Where Africa is heading ......................................................................................................... 6
Chapter 2—The opportunity for mid-sized US companies is now ............................................................ 14
Chapter 3—Guiding principles for African expansion .............................................................................. 16
Conclusion ................................................................................................................................................ 22
Appendix: Resources to support expansion and investment ................................................................. 22
Acronyms .................................................................................................................................................. 24
The Emerging Leaders Program .............................................................................................................. 25
  Acknowledgments .................................................................................................................................. 25
  Author biographies ............................................................................................................................... 26
Endnotes ................................................................................................................................................... 28
Bibliography ............................................................................................................................................. 30
Introduction—Where Africa stands today

“The Indian Tiger and the Chinese Dragon have had their days, and it’s now the African Lion’s turn.”

For decades the only news reported about Africa was bleak, creating a singular and distorted image of the continent. Terrorism, famine, political corruption, and the proliferation of AIDS and other diseases dominated US media, driving the perceptions of many Americans. Today, however, brighter and more varied narratives are changing those perceptions.

Africa is the second largest continent in the world, with a total landmass greater than the United States, Europe, India, and China combined. There are 54 sovereign countries, each with its own unique identity and varying economic, social, and political structures. Over one billion people now live on the continent of Africa, with Nigeria topping the list as the most populous country with more than 175 million people. English, Arabic, French, or Portuguese are official or co-official languages in every country, with numerous indigenous languages such as Swahili and Hausa still widely spoken. Of the non-native languages, English has the largest number of speakers—approximately 700 million. While Christianity and Islam are the dominant religions across the region, traditional African religions still play a significant role, with Judaism, Hinduism, and Buddhism maintaining a minor presence. The climatic and ecological regions shaping Africa mirror the diversity of the individual countries and their people. Though the continent is home to the largest desert on earth, the Sahara Desert, which stretches across 10 countries in North Africa, it also claims 500 million acres of tropical forest in the Congo Basin and 60 percent of the world’s uncultivated arable land.

While challenges still exist, Africa has become a source of optimism, progress, and economic opportunity. The economies of many African countries are growing at unprecedented rates, following the trajectory of other fast-paced emerging markets such as China and India. A flourishing middle class, diversification of industry, and adoption of leapfrogging technologies are other key factors propelling Africa onto the world stage as the next great opportunity for business. Companies who want to be a part of and benefit from this massive transformation must act now.

This report is based on research and interviews with experts on doing business in Africa from both the private and public sectors. It presents a comparison of Africa to other global regions and provides select examples from individual countries, regional groupings, and industry segments to highlight the opportunity that exists for US middle-market companies among the 54 diverse countries on the African continent—each with its own distinctive characteristics and prospects.

For purposes of this publication, the terms “middle-market” or “mid-sized” firms refer to companies with annual revenues between $50 million and $1 billion. The authors also employ the broadest definition possible when referring to “investment” or “expansion,” including the full range of strategic, operational, and financial options to tap into the various African markets.
Africa's Diversity

Africa is home to:

- 54 countries
- 1.1 billion people
- 370 million people in the middle class
- 52 urban cities ≥ 1 million people

Official languages (# of countries)*
- English (25), Arabic (12), French (21), Portuguese (6)
- Swahili (10), Hausa (8), Yoruba (2), Oromo (3)

* A country may have more than one official language

Africa is the 2nd largest continent

Larger than 18 countries combined, including US, China, India, and most of Europe (30,221,000 km²)

5 diverse regions

A vibrant private sector

- 400,000 companies registered in 2013
- 32 countries had 2+ tech hubs in 2014
- 30 countries using mobile money services

Committed governments

- 45 countries show improved governance
- 29 countries require ≤15 days to open a business
- 51 countries undertaking 3+ national and/or intraregional infrastructure projects

Chapter 1—Where Africa is heading

The African continent is an attractive region for investment.

Massive population growth and a rising middle class have created millions of new consumers hungry for products and services. A variety of economic, political, and social transformations in Africa are creating investment opportunities for the next stage of the region’s growth. Many African countries have instituted meaningful reforms in their governance and investment frameworks. New technologies are being developed to solve unique challenges in health care, infrastructure, power, and agriculture. Incentives for investment are emerging every day. And as the gross domestic product of many nations continues to rise, these positive trends are expected to continue.

Many African countries are experiencing high GDP growth.

Of the top 10 fastest-growing economies in the world today, seven are in Africa,* with projected growth rates of 7 percent or more. In the past decade, African economies have outperformed those in Latin America as well as many developed countries in GDP growth. Such expansion puts these nations on growth trajectories similar to India and China. While today Africa’s collective GDP of $2.5 trillion is quite modest compared with more developed nations, it is the world’s second-fastest growing region, with a projected growth rate of 5 percent for 2015.**

Africa’s exports are growing exponentially, with broader industry diversification.

Sales of goods and services to foreign buyers quadrupled between 2000 and 2012, from $148 billion to $641 billion. Although many African countries continue to benefit from traditional exports of oil, gold, diamonds, rubber, and forest products, national governments are diversifying beyond these industries. For example, Côte d’Ivoire, the world’s largest exporter of cocoa beans, has entered the global confectionery market, now manufacturing chocolate instead of simply exporting cocoa. The move has compelled three multinational companies—Cargill, Archer Daniels Midland, and Olam—to pay more attention to the region. In addition, as African populations continue to grow, goods and services will be needed domestically to keep up with demand. Regional trade has also been growing and reached $147 billion in 2012, including nearly 13 percent of African exports.

An improving investment environment is increasing capital flow to the region.

According to Ernst & Young’s most recent survey of business attractiveness, over the last four years Africa has moved from eighth of 10 global regions to the second-most attractive investment destination in the world. Sixty percent of businesses surveyed reported Africa’s improved investment attractiveness over the past year, and nearly three-quarters believe it will improve further in the next three years. Since the end of the global recession, foreign direct investment (FDI) into Africa has increased every year, with more than $57 billion in inflows in 2013. The United States and the United Kingdom remain the top two sources of investment in Africa; however, the number of foreign direct investment projects from China, India, and from new players like Turkey and Brazil are growing at an increasing rate. Equally important, in 2013 greenfield projects in services and manufacturing received nearly 90 percent of FDI dollars.*

Demographic shifts, urbanization, and increased purchasing power are driving change in Africa.

In the past 30 years, the African population has grown nearly two-and-a-half times to 1.1 billion people, with 70 percent of the population now under 30 years old. This growth is due to a decline in overall poverty, better disease prevention, and increased life expectancy. A large portion of the population has also migrated to urban centers, seeking jobs and a better life. These shifts are creating megacities, a pan-African phenomenon, and driving a need for massive advances in

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*These countries include Angola, Ghana, Ethiopia, Tanzania, Mozambique, Nigeria, and Zambia.

**A greenfield project refers to a new project or venture rather than further development of an existing project or venture.
**Africa’s Unprecedented Growth**

Over the past 15 years, the economies of Angola, Ethiopia, Tanzania, Mozambique, Nigeria, and Zambia outperformed Latin America and developed countries, all while catching up with China and India.

![Map of Africa showing growth rates](image)

*Brazil, Russia, India, China
Source: UNCTAD, 2015; World Bank, 2015.

**Exports and Investment Gaining Momentum**

4X ↑ in African Exports 2000–2012

<table>
<thead>
<tr>
<th>Region</th>
<th>2000</th>
<th>2012</th>
<th>Intra-trade</th>
<th>$641 billion in 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>93.2</td>
<td>75.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>USA</td>
<td>44.4</td>
<td>40.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>India</td>
<td>38.8</td>
<td>34.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Italy</td>
<td>28.9</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

![Map of Africa showing FDI inflow](image)

Source: Ernst & Young, 2014; UNCTAD, 2014.
technology and innovation. Of the 100 fastest-growing cities in the world, 25 are in Africa, including Lagos, Nigeria, Kinshasa, Democratic Republic of the Congo, and Johannesburg, South Africa. By 2030 more than half of Africa’s population will live in urban areas.15,16 Today, at least 370 million Africans, 34 percent of the total population, are part of the new middle class,* strengthening the demand for more and better goods and services.17 Currently, middle class populations are concentrated in a few of the 54 countries, but continued economic growth and diversification will create wider distribution in the future.

*Based on the definition from the African Development Bank.

**Infrastructure in Africa lags, but with additional public and private investment, positive trends are emerging.**

Only one in three Africans has access to electricity, compared to nine of 10 people elsewhere in the developing world. Estimates are that the African continent loses two percentage points of GDP growth annually as a result of its infrastructure deficit.18 But massive change is under way. Multiple national and pan-African projects have been completed or are in the pipeline such as building and upgrading highways, railways, ports, power plants, and water stations. China and the African Union launched an ambitious plan to develop road, rail, and air transport routes to link capitals across Africa. African Union chief Nkosazana Dlamini-Zuma praised the proposal as “the most substantive project the AU has ever signed with a partner.”19 While China has been the champion of in-

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**Figure 4**

**Africa Powerhouse**

*By 2025 the urban population will reach ~750 million*

*By 2025 the urban population will reach ~750 million*

*By 2030 the African middle class will reach ~500 million*

*By 2030 African consumer spending will reach ~$2.2 trillion*

Infrastructure investment in Africa, other players such as Brazil, India, Japan, and the United States have begun to emerge as major partners on the continent. The US government’s “Power Africa” project has committed to adding more than 30,000 megawatts of power capacity in Sub-Saharan Africa.20 In addition, the Infrastructure Consortium for Africa is investing nearly $20 billion in energy, transport, water, and sanitation infrastructure, including $8 billion from private-sector investment.21,22

Internet and mobile phone use are rising at a dizzying pace.

While it is still far behind most of the world, African connectivity has exploded over the past decade. International and pan-African telecommunication operators have invested in information and communication technology (ICT) infrastructure to improve connectivity and cut costs for both operators and end users.23,24 The region now boasts nearly 10 percent of the world’s Internet users, and more than one-fourth of the continent’s population have Internet access.25 Along with Internet access, Africa has also seen tremendous growth in access to mobile technology. The GSM Association reports that Sub-Saharan Africa has 329 million unique subscribers and will become the fastest-growing region, with a compound annual growth rate of 7 percent through 2020.26 In the same period, overall penetration is expected to increase to 79 percent, with smartphone connections increasing to over 400 million by 2018.27 As high-speed Internet becomes more prominent and the cost of smartphones and tablets declines, the better ICT infrastructure and access to technology can further transform the way people and businesses function across the region.

Many countries in Africa are benefiting from the adoption of leapfrogging technology.

With little landline infrastructure, mobile technology quickly became the first choice for phone communication in many African countries. The technology
was then applied to solve other challenges. A Kenyan-based company, M-Pesa, which provides financial services using a mobile phone platform, processes nearly $1 billion of transactions per month for over 12 million active users. The platform has expanded to provide a “pay-as-you-go” service called M-Kopa, which allows millions of people living outside the reach of a reliable electrical grid in Kenya, Tanzania, and Uganda to move from using kerosene directly to solar-powered energy. Technology is also being used to create innovation in the health, education, and agricultural sectors. For instance, mPedigree, a technology company based in Ghana, developed an app and portal to protect consumers from counterfeit such as medications. Schools in Kenya are increasing literacy through e-readers and tablets charged by solar panel systems. And smallholder farmers are adopting advances in agricultural biotechnology to increase crop production, including maize, soybeans, and cotton. Currently, crops engineered to be disease resistant, increase yield, or repel insects are grown in South Africa, Burkina Faso, and Sudan, with additional crops being tested in seven other African countries. In retail, Nigerian-based Mobile Media Infotech Limited backed by a US mobile payment platform provider, has introduced M-Iflo, which acts as a payment intermediary between mobile wallet providers and online merchants. More than 200 innovation hubs, technology labs, science and technology parks, incubators, and accelerators in over 30 African countries provide a boost to continued innovation and entrepreneurial activity.

Table 1

<table>
<thead>
<tr>
<th>Mobile money</th>
<th>Solar energy</th>
<th>Health care</th>
<th>Education</th>
<th>Agriculture</th>
<th>Retail</th>
<th>Intra-trade marketplace</th>
</tr>
</thead>
<tbody>
<tr>
<td>M-Pesa (Kenya)</td>
<td>M-Pedigree or Sproxil (Ghana)</td>
<td>ReKindle (South Africa)</td>
<td>ECX (Ethiopia)</td>
<td>Jumia (Nigeria)</td>
<td>moWoza (Mozambique)</td>
<td></td>
</tr>
<tr>
<td>17 million users. $1 bn in transactions per month. Present in 6 African countries, Eastern Europe and Asia.</td>
<td>‘pay-as-you-go’ services. Provides reliable alternative power to 150,000 homes off the electrical grid in Kenya, Uganda and Tanzania. Protects consumers from counterfeit medication. 8.5 mn engaged users in Ghana, Nigeria, Kenya and India.</td>
<td>Reinforces content presented in the classroom.</td>
<td>SMS and online based market information on supply, demand and pricing. 1 mn requests per month, 80% from rural areas.</td>
<td>750,000 users and 450 employees. Pay on delivery, online or via mobile money. Operates in 12 African countries.</td>
<td>Reliable goods delivery from Mozambique to South Africa to enhance supply chain.</td>
<td></td>
</tr>
</tbody>
</table>

Source: Manyika et. al., 2013; Walker, 2014.
Although low labor productivity remains a challenge, current wage differentials are attracting industry.

Though Africa’s workforce has been steadily increasing, the average labor productivity for the region remains low at about 5 percent of the US level, varying significantly by country and region. Most countries in Sub-Saharan Africa have rates below the 5 percent mark, while many North African countries report productivity higher than 15 percent. South Africa is currently at the top of the list at 28 percent of the US level, with Tunisia and Algeria each reporting approximately 23 percent. In comparison, India’s productivity is about 8 percent of the US level, with emerging and developing nations in Asia-Pacific posting an average of 10 percent. According to the African Development Bank, the low overall productivity in Africa is primarily because of the lower quality of education and lack of training.

Access to education has generally improved, and enrollment in primary and secondary education is increasing. But to boost the whole region’s productivity, more needs to be done. Retaining well-educated and highly talented Africans which would increase productivity levels in the domestic market has also been difficult. The International Labor Organization reports that African countries lose a “substantial proportion of their skilled labor force through ‘brain drain.’” However, in the last decade, many of these Africans have been returning to their home countries to pursue increased economic opportunities. Many are sought by foreign companies for managerial and executive roles, while others choose to become entrepreneurs. As political stability continues to take hold and economies grow and diversify, more talented workers are likely to seek employment in the domestic market.

Though productivity is too low in some African countries, the availability of large numbers of lower skilled workers can be a comparative advantage in labor-intensive industries such as textiles, agriculture, and manufacturing. In these sectors, lower wages account for up to 43 percent of a company’s motivation to expand into Africa. According to a former World Bank economist, in the coming years China may export as many as 80 million manufacturing jobs to countries such as Ethiopia, Kenya, Lesotho, and Rwanda, primarily because of the wage disparity. A typical hourly wage for a Chinese worker making shoes is about $4; in Ethiopia, it is less than 50 cents. African countries should be considered manufacturing destinations in the near term.

Inflation rates have been stable or declining across Africa in the last five years.

Over half of the African countries reporting to the World Bank showed lower inflation between 2009 and 2013, with an even higher proportion—more than 70 percent—recording a decline in 2013. Since relatively lower levels of inflation contribute to a more stable economic environment, this is an important trend. Strikingly, 26 African countries had inflation rates of 5 percent or lower in 2013, and 18 African countries had inflation rates below the world average of 2.6 percent. Inflation in Kenya decreased from 9 percent to 6 percent for the 2013 calendar year, while Rwanda’s...
A Brief Word about Corruption...

Corruption exists in Africa, as it does everywhere, but the type of corruption and how it affects individuals and businesses varies significantly by market. According to Transparency International, roughly 40 percent of the African countries included in the Corruption Perceptions Index 2014 scored the same or better than China, Mexico, and Indonesia, all considered attractive emerging investment markets. The perception of rampant corruption in Africa usually centers on payoffs to the government. Building a successful business strategy in Africa may include having the right connections in the government, but it does not mean paying bribes to government officials. In his book Success in Africa, Jonathan Berman points out that strong government relationships are important but, “That’s true in the United States and in many other countries as well, where lobbying, political contributions, and trade associations each represent an accepted path businesses use to enhance returns by engaging government.”

Most of the business leaders and other experts we spoke with who have worked in African countries for many years said that despite rumors on the continent, being asked for a bribe related to a business endeavor is very rare. Africans also know that US companies are prohibited from paying bribes under the US Foreign Corrupt Practices Act. Low-level corruption such as paying fees at a checkpoint to a local policeman exists as in many other emerging markets, and in some countries it is pervasive. But it is not a substantial barrier to doing business. Most African governments recognize that encouraging investment requires ensuring that corruption is eradicated at all levels, and they are working to put effective systems in place.


inflation rate dropped from 10 percent to 4 percent in the same period. Inflation is difficult to predict, and rates in an emerging market can be exacerbated by political instability or lack of economic diversity, but many African governments appear to be developing the right policies to manage inflation risk and keep high inflation at bay.

Political stability is still a concern in some African countries, but gains are being made.

Investors cite political instability as one of the biggest short-term threats to growth in Africa. Many African countries are in transition to more democratically stable states. Sustained economic growth, increased governance reforms, and better crisis management have proven that African countries are moving forward and that political conflict is "not going to be catastrophic" for the continent as a whole, according to Paul Collier, codirector at the Centre for the Study of African Economies at Oxford University. Thomas Vester, chief investment officer and fund manager of the nearly $1 billion LGM Frontier Markets Fund, agrees and said that he is seeing a change on the continent. Previously, African government leaders hesitated to commit to longer-term projects—such as infrastructure and housing construction—whereas many now feel more comfortable with planning further ahead because they do not fear being ousted immediately. Vester also noted a documented correlation between political stability and long-term economic progress. He pointed to Kenya, Ghana, Botswana, and Zambia as countries that will benefit from continued political stability: “Factors like that will give [these countries] a serious liftoff, where they can enjoy 20 years of trend growth of around 6 to 7 percent.”

After Tunisia’s popular uprising in 2011 and a steady transition to democracy in 2014, investors regained confidence and sought to participate actively in Tunisia’s economy. Rebranding itself as “a democratic start-up,” the government continues to support the implementation of reforms and sustainable economic development. Nigeria, Africa’s largest economy, is the most recent example of improved stability with a peaceful transfer of power between civilian governments after the elections in March 2015.

Most African countries have mechanisms to guarantee the repatriation of profits and capital gains.

Being able to transfer business profits to the home company from abroad is a key factor for investing in any emerging market. However, under what portion of the tax code the gain qualifies and the amount a company or investor will pay in taxes can vary significantly across the different countries. According to global professional services company KPMG, some countries have separate capital gains tax rates prescribed in the revenue code, such as Kenya with 5 percent,* Nigeria with 10 percent, and Ghana with 15 percent.**

*Effective as of January 1, 2015.
**There are also provisions in the tax code that bring down the capital gains tax from 15 percent for specific exclusions.
countries like Senegal and Uganda tax capital gains at the corporate tax rate, 30 percent in both countries. Uganda and others also make an exemption for profits of a local subsidiary being returned to the parent company abroad. In Uganda these are taxed at a lower rate than the corporate tax rate. South Africa’s approach to capital gains appears to be unique on the continent—66.6 percent of capital gains are taxed at the corporate rate of 28 percent. Taxation on dividends among the countries profiled by KPMG is much lower and seems to operate within a tighter band of rates. Ghana, Kenya, Nigeria, Senegal, and Uganda claim between 8 to 15 percent as a tax, with some exceptions for double tax treaties with certain countries.45

Average corporate tax rates are higher than in other emerging markets but may come with better exemptions and other incentives.

According to KPMG’s most recent data for 2014, the maximum corporate tax rates for the 21 reporting African countries ranged from 19 to 35 percent, remaining the same or declining from the previous year.46 Across the countries surveyed, the average corporate tax rate is about 27.9 percent, above the 23.6 percent global average but below the maximum 35 percent US corporate tax rate. However, despite the comparatively higher rates, many African countries offer tax incentives for particular industries or to achieve development goals such as promoting investment in rural areas or providing training to local people (see Figure 8 above). South Africa has 12 separate tax and other incentive programs to promote trade, export, and investment in the country. One such program, the 12I Tax Allowance Incentive, provides the equivalent of approximately $30 to $75 million in tax allowances for projects in the manufacturing sector. After the program was announced in 2010, about 50 projects worth approximately $3.8 billion were approved in eight sectors with the chemical, cement and ceramics, and agro-processing industries leading the way.47 Nigeria has 69 designated “pioneer” industries ranging from integrated dairy production and tourism to consumer product manufacturing.

*The success of this program in terms of valued added investment in South Africa, the number of jobs created, and the value chain linkages to small and medium enterprises have prompted the South African government to extend the program another two years through December 31, 2017.

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**Figure 8**

Business Regulatory Reforms 2014

- **5** Sub-Saharan African economies among the **10 top** most improved globally in ease of doing business in 2014: Benin, Democratic Republic of Congo, Côte D’Ivoire, Senegal, and Togo.
- **39** reforms to reduce complexity and cost of regulatory process such as eliminating a capital requirement or creating a one-stop shop. **29** countries require less than **15** days to open a business.
- **36** reforms to strengthen legal institutions, obtain credit and protect minority investors.

**Morocco**
- **15 days** to request and obtain a building permit
- **Ranked 31** out of 189 countries in ease of trading across borders

**Senegal**
- **6 days** to set up a business, same as Norway vs. 59 days in 2005
- **14 days** to import goods, same as Poland vs. 27 days in 2005

**Nigeria**
- **20%** tax credit for sourcing raw materials. **5–7 year tax holiday** for manufacturing telecom equipment

**Botswana**
- **10% reduction** in tax rate for manufacturing
- **Deduction of 200%** of training expense for local employees

**Tunisia**
- **11 days** to set up a business
- **Ranked 54** out of 189 countries in resolving insolvency
- **10-year tax holiday for priority projects and regions**

**Rwanda**
- **37 ease of doing business reforms since 2004**
- **2–7% corporate tax discount for hiring Rwandans**
- **Training and research costs are tax deductible**

**Tanzania**
- **25% tax rate for newly listed companies for 3 years**
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**Mauritius**
- Most favorable business climate in Sub-Saharan Africa: **6 days to set up a business and 2 weeks to complete a transfer of property**

Source: AfDB, 2014; KPMG, 2015; Mulligan, 2015; World Bank Group, June 2014.
and real estate development, which receive seven-year tax holidays. Additional tax allowances and other incentives are offered to established companies that invest in economically disadvantaged areas, promote exports, or create in-house training facilities.\textsuperscript{48}

**Continued development of the overall financial system will assist companies in seeking capital and provide exit opportunities for investments.**

US and European banks such as Standard Chartered, Barclays, and Citibank have operated in Africa for decades. In addition, there are 15 domestic pan-African banks with total assets of more than $15 billion. Standard Bank, based in South Africa, is the biggest by asset size in this group, posting over $160 billion, with operations in 19 African countries and 11 others globally. Ecobank, headquartered in Togo, has the most expansive footprint in Africa, with branch operations in 35 countries.\textsuperscript{49} Currently, 26 stock exchanges operate on the African continent, including a regional exchange for eight West African countries, the Bourse Régionale des Valeurs Mobilières (BRVM), and a new exchange expected to be opened in 2015 in Somalia. The Johannesburg Stock Exchange is ranked in the top 20 largest exchanges in the world and dwarfs the other exchanges in Africa with capitalization of over $1 trillion.\textsuperscript{50} The African Development Bank’s African Financial Markets Initiative is focusing on strengthening and diversifying the financial systems across Africa, including the development of bond, commodity, and foreign exchange markets, and reinforcing commercial banks and clearing houses.\textsuperscript{51} This will give companies in smaller countries access to public markets and help tackle the issues of low capitalization and illiquidity of current exchanges. Regionally integrated markets are also an important vehicle for supporting the growth of financial markets across the continent, and work is being done to ensure consistency in legal and accounting practices.

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**Chapter 2—The opportunity for mid-sized US companies is now**

Multinational corporations are often the frontrunners in emerging markets. They have extensive experience and often higher risk appetites, substantial teams, and seemingly endless resources. Beyond the oil and gas sector, several large US corporations have been in Africa for decades. It is no surprise that Coca-Cola, the world’s largest soft drink brand, has been operating in Africa since the 1930s and, in more recent years, companies like Microsoft and Walmart have been growing their presence across the continent. But in today’s globalized economy, expansion into emerging markets is not the sole domain of the largest global players. Rapid growth is occurring in many African countries across a range of sectors, generating opportunities for mid-sized companies as well. The time to access this large and growing market is now, while there is significant latent demand, limited competition, and support mechanisms both in the United States and abroad.

Expanding abroad provides opportunities for growth and diversification for US middle-market firms.

Though the United States has a large overall market with good opportunities for growth and investment, strategically minded firms must always consider how the business environment is evolving and where future growth will come from. In spite of the risks, tapping into international markets can provide new revenue streams that support long-term growth and have the potential benefit of geographic diversification, which can mitigate the impact of events in one market.

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Tapping into international markets can provide new revenue streams that support long-term growth and have the potential benefit of geographic diversification, which can mitigate the impact of events in one market.
survey done by the Economist Intelligence Unit and the National Center for the Middle Market in 2012, nearly 60 percent of middle-market companies that responded have operations or sales efforts beyond North America or intend to expand abroad. And overwhelmingly, the main reason cited for increasing activity in foreign markets is to support long-term growth goals.52

The market in Africa is growing, diversifying, and can support a broad range of market participants.

As highlighted in the previous chapter, African countries offer opportunities to access a group of markets in burgeoning economies with expanding middle classes. The populations in these countries have diverse and increasing needs. Most countries are developing industries beyond the extractive sectors, ranging from basic consumer goods, manufacturing, and transportation to financial services, telecommunications, and biotechnology. Former Ambassador Herman Cohen of Cohen and Woods International, an advisory firm specializing in Africa, remarked, “There is a growing middle class in Africa which is importing everything, as the manufacture of consumer goods locally is still small.” This transformation is an intriguing prospect, not only for companies with large, established markets in the United States seeking additional customers, but also for companies with products or services that have only a small, niche market. For example, Peppermint Energy, a modular solar panel manufacturer based in South Dakota with a limited customer base in the United States, has targeted markets in Africa where more than 650 million people do not have access to a reliable electrical grid.53 Other US middle-market companies in both innovative and more traditional businesses are also finding fertile markets for investment and expansion in Africa.

An early mover in emerging African economies gains greater access to opportunities and resources.

As African markets continue to diversify and increased capital comes in from multiple channels, a broader range of industries will present new options for investment and expansion. Middle-market US companies can leverage their significant expertise and experience in their industry segments to become preferred providers, partners, or investors. In some markets or sectors, a US company may be the only business making an investment or supplying a particular product or service. In others, US companies may have advantages in quality and innovation over other foreign competitors or local firms. Josh Becker of Impele Consulting Group said that in his experience, “The business environment is more Western than other emerging markets, so it is a shame more US companies aren’t operating there, especially as US companies are held in high regard. People in Africa want and respect the American and European brands. As soon as they can afford it, they will buy it.” Getting into a market early also gives a company a significant advantage in tapping the best partners and negotiating exclusive contracts.

Incentive programs to assist companies expanding to Africa won’t last forever.

Another advantage of moving early into these markets is that individual African countries are vying with each other for investment and trade. As mentioned in the previous chapter, tailored incentives like lower taxes for export-oriented manufacturing or other strategic sectors; deductions from taxable income for investment in training, research, or product development; and free repatriation of capital and profits are attracting significant foreign interest. Through various agencies, the US government also has a range of programs to assist companies looking to expand abroad and has recently begun programs to promote investment and trade with African countries, including risk-sharing programs.

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**Attracting Private Sector Investment**

In April 2014 ministers from Chad, Mozambique, Uganda, and Djibouti called for an increase in private investment and encouraged legislation to facilitate private sector development. The ministers appealed to domestic and international private investors to partner with their governments and highlighted initiatives for economic diversification and regional integration. Ahmed Osman Ali, governor of the Central Bank of Djibouti, described the country’s strategy to attract investment, “We try to facilitate FDI, working on legislation, on guarantees, and on transparency, and this work that we have been doing for several years is bearing fruit because we are having investments in telecommunication, transportation, construction of harbors, and in the management of our ports.”

Some of the incentives may last for an extended period, but promotional programs are usually offered for a limited time, restrict the amount of funds provided, or cap the number of participants. To reap the benefits of these programs, companies need to act quickly.

**What is mid-sized in the US may seem larger in Africa.**

There are large and growing companies based in key markets in Africa, but the competitive landscape still has plenty of room for new entrants. According to *The Africa Report*, in 2013 nearly 150 African companies earned revenues of $1 billion or greater, and more than 500 African companies had over $200 million in revenue.*54* These domestically grown businesses, many similar in size to US middle-market companies, understand the market dynamics and know how to navigate the operating environment far better than foreign players. But the overall pool is still quite small,*55* allowing US middle-market companies to have the advantage of relative scale in many African markets. This is especially so outside of the big urban centers, such as Cairo in Egypt, Johannesburg in South Africa, Nairobi in Kenya, and Lagos in Nigeria. But even in these markets a mid-sized US company can take on larger projects and have a better negotiating position than smaller local companies. If a company is perceived as being larger in the African context, it is also a more attractive prospect for local partners and employees, particularly qualified managers. Since many African markets have a shortage of capable management personnel due to inadequate education and the emigration of educated professionals, competition for scarce management talent will increase as markets attract additional investment. While more highly educated African professionals with work experience in the United States and Europe are returning, they are still a minority of the resource pool. Securing this talent early on will provide a solid foundation from which to build.

**Chapter 3—Guiding principles for African expansion**

Doing business in African countries is different from the United States in innumerable ways, and there is no rule book to execute the perfect strategy. We spoke with 36 experts in both the private and public sectors to gain a better understanding of the most effective approaches for investing and operating in these diverse markets. We have synthesized insights from interviews with those doing business in Africa to create the PAL Principles, which will help a mid-sized company to develop and implement its best strategy for African markets. This framework can be applied to any business, from the moment management decides to explore an African market as a potential option to after initial investments have been made.

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**Figure 9**

**Data Collection**

<table>
<thead>
<tr>
<th>Experts by business sector</th>
<th>Interview topics</th>
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<tbody>
<tr>
<td>Financial services</td>
<td>• Applying alternative business strategies</td>
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<tr>
<td>Consulting</td>
<td>• Building relationships</td>
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<tr>
<td>Renewable energy</td>
<td>• Identifying and mitigating risks and challenges</td>
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<tr>
<td>Public sector</td>
<td>• Establishing local partnerships</td>
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<tr>
<td>Others*</td>
<td>• Distinguishing factors for success</td>
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<td></td>
<td>• Understanding the legal framework</td>
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<td></td>
<td>• Accessing resources</td>
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</table>

* Business network, public policy, agribusiness, construction, manufacturing
Africa is a diverse market of 54 countries. The starting point for success is selecting the market that best aligns with the company’s goals, and then doing the proper due diligence to understand the opportunities and challenges on the ground.

Gather initial market information and draft a plan.

With any emerging market, being able to adapt is often the most critical skill. No amount of preparation can alleviate the need to modify plans as the market environment changes.

(Re)learn to be scrappy
Be prepared to change plans

Ultimately, sustainable success will require being local. This can be achieved by identifying strong local partners and building relationships, as well as by hiring and building the capacity of the local talent.

Get a local partner
Develop two-way relationships
Build local capacity

What Resources Do We Already Have?

An assessment of internal capabilities will also be critical to the execution strategy that a company selects. This analysis will define how much of the current infrastructure the business can leverage for its expansion strategy and how much must be acquired. The acquisition of resources may mean establishing relationships to access distribution networks for exporting goods, hiring local talent with relevant market knowledge, or developing a partnership or joint venture with a local company.
Get on the ground and conduct due diligence.

Many of the key principles for developing a market entry or expansion strategy, including defining the market, identifying the competition, and assessing the operating environment, cannot be finalized without being in the country, meeting directly with people, and studying the local business culture. Ken Ihenacho with Latham & Watkins, a highly respected international law firm, said that he spends a lot of time with clients who recognize the opportunity of the African macro environment, the growing middle class, and the increasing urbanization, but do not know how to access the market. His first piece of advice is often simply, “Get on the ground.” The numerous onsite conferences and trade missions being organized are easy ways to dip a toe in the water and gain insight into the business environment. Without seeing the market firsthand, a company can misjudge the risks and the potential rewards, especially in emerging markets where available research and data is insufficient to tell a complete story. In addition, every African market is different, and the opportunities and constraints for entry into Ghana may be completely different from those for Mozambique or South Africa. A company will need to spend time in the local market it intends to target to understand the business environment and establish contacts for implementing its strategy. Onsite due diligence is also essential for identifying and vetting local partners. Finally, and perhaps most important, the business culture in much of Africa emphasizes developing close relationships. This cannot be done over the phone or by email. Face-to-face communication is of primary importance, and a company should build in time on the ground over multiple visits to ensure it develops robust relationships with the right partners.

(Re)learn to be scrappy.

A company needs to be able to adapt to the environment rather than trying to mold it to suit the organization. Resources are not always available when needed. Infrastructure like roads and consistent access to electricity is often less than ideal, and regulations sometimes change with the election of new political leaders. But business is still thriving on the continent, and savvy managers figure out a way around these obstacles. Nathalie Gabala, director of investments for Africa for Equator Capital Partners, explains, “Tolerance of uncertainty and high market volatility is important. What may be perceived as catastrophic in the US context is not always of the same importance in the African context. Keep changes in the market environment in perspective.” American companies are known for their entrepreneurial drive and ability to innovate around problems, skills well-suited to the considerably different African operating environment. The determination and ingenuity that entrepreneurs in middle-market US companies have needed to succeed in the extremely competitive US market will be put to the test in many of the African markets. But these traits can give a company a significant advantage over larger firms and other foreign and local competitors.

Be prepared to change plans.

Many companies have found that once they have firsthand experience in a new market and have begun to understand the operating environment, they need to adjust their original strategy to be successful. Different customer preferences, unwritten requirements of doing business, and the lack of extensive distri-
Distribution channels are typical factors that may prompt modifications to a company’s expansion plan. Chid Liberty, the CEO of Liberty & Justice, a clothing manufacturer with a factory in Liberia, explained that they consider the business plan to be “a living document” that evolves as the market changes. Challenges exist because of weak infrastructure, inconsistent regulatory frameworks, and a lack of access to skilled workers. At the same time, as noted above, new technologies are adopted more rapidly and are fundamentally altering some industries such as mobile money in the financial services segment. Companies need to be nimble and modify their strategies for gaps or changes in the market environment. Having a longer-term vision from the outset will ensure the company focuses its planning and resources for success.

Building a Value Chain Model in Kenya—Focus on International Green Structures

Company Profile
International Green Structures (IGS) manufactures innovative and sustainable Compressed Agricultural Fiber (CAF) panels from biomass, which are used to construct affordable housing, schools, and healthcare facilities the company calls IGStructures. Founded in 2005 to provide disaster relief housing in the US, the company realized there was limited demand in the domestic market and recognized the significant opportunity for affordable housing solutions in developing countries. The company pairs its CAF technology with a pre-engineered framing system to create strong, easy-to-assemble designs that allow for quicker build times, no-waste construction, and cost savings. Since its entrance into the African market in 2012, the company has now created a replicable value chain model utilizing local partners.

A Value Chain Model

IGS capitalized on the market knowledge and positioning of a local partner to secure a foothold. The machines used by the local partners are manufactured by IGS in the United States.

The local partner benefited from IGS’s technology and expertise to expand its product line to include higher margin paneling.

IGS capitalized on the market knowledge and positioning of a local partner to secure a foothold. The machines used by the local partners are manufactured by IGS in the United States.

~ 12,000 housing structures annually per factory can be built in about 20% of the time as traditional cinder block construction.

~ 2,000 local jobs per factory. Impacts the local economy by about $30 mn.

Over 100% increase in IGS’s revenues by expanding to Africa.

Adapting for Success

Power generation is a significant challenge in Africa, which has created an immense opportunity for off-grid technologies. Founded in 2011, Peppermint Energy is a portable solar power generator manufacturer based in South Dakota that targets emerging and frontier markets. A key challenge for the company is product distribution, since there are currently no large sales channels on the continent. To overcome this challenge, the company built its own network of small distributors. Peppermint is working with about 35 African-based entities in 15 countries in Sub-Saharan Africa with plans to expand to North Africa in 2016.
Get a local partner.

Successful businesses know that their ability to compete in any market depends on the people they employ and do business with. If the opportunity exists, some companies may want to acquire a local firm or enter into a joint venture to gain access to the market. However, even if a company does not require a local footprint, it will need to work with reliable, local partners that can assist in navigating the market to properly execute the company’s strategy. These “navigators” can provide significant advantages such as in-depth market knowledge; access to networks for financing, human capital, and other resources; and the ability to maneuver within local regulations and the unique operating environment. International Green Structures (IGS), an innovative, fiber panel manufacturer operating in the United States and emerging markets, expanded to Africa three years ago. The CEO of IGS, Richard China, explained the importance of local partners to the company’s strategy: “The key risk for us is not being able to identify all of the risks that exist—it is the unknown. The mitigation for this is having good local partners who already know the nuances of the market.”

Many firms providing support for entry into African markets advise that local partners can be critical to success, depending on the country and the type of business. And having a partner whose interests align with the company’s goals is essential. Bobby J. Pittman, who heads up Kupanda Capital, commented, “More often than not, the partner should be local and on the ground, but finding the right partner can be a challenge. You also need the right amount of incentive and alignment.” Local partners can be difficult for foreign companies to identify because foreign managers do not always understand the local market dynamics, and publicly available information is in short supply. Many local companies rely on more informal business practices that US firms find difficult to assess such as verbal agreements rather than written contracts or the reliance on family members in the business. Inquiries through local legal counsel or other trusted local advisors may help a company explore the suitability of potential partners.

Develop two-way relationships.

In most markets, the business community tends to be relatively small and a company can quickly get to know the key players. Building a reputation at the outset as a company that wants to work with local businesses helps to establish relationships that promote acceptance and support. Burt Lang of Varian Medical Systems explained the importance of these relationships: “Previously, Varian operated through long-standing distributor partnerships. Now, there is a major initiative to increase our long-term presence. In some cases, this will mean strengthening our partnerships with distributors, and in other cases, creating legal entities and joint ventures. For example, we just announced a joint venture in Algeria that we are implementing right now.” The need to build contacts within the government depends on the industry. It is usually helpful if the relevant government ministry understands the company’s plans and how they will affect the local community. More extensive relationships may be needed to gain insight into how to access certain incentives or get permits approved. Companies might also build relationships with local village leaders, country directors, and staff of international organizations operating in the area, local business associations, and trade organizations.

Build local capacity.

Businesses with any presence on the continent are faced with a choice for their staff—bringing in expatriates or hiring local talent. In the long run, building local capacity is much more likely to yield sustainable success. Hiring expats from the United States or Europe may limit a company’s execution strategy because of the potentially higher expense to transfer an entire team or to compensate for an undesirable location. If expats are willing to go to more rural parts of Africa with fewer available resources, they may want higher compensation. In addition, foreign staff have a learning curve, and some argue that expats will never fully understand the nuances of the local culture. However, the benefit of bringing them in is that they are
Identifying Local Partners

Even with extensive onsite work, executing a successful market entry strategy often requires a permanent local presence or a partnership with a local entity. For companies selling goods, access to distribution networks and salespeople is imperative, since building an onsite presence from scratch is expensive and time consuming. Most experts we spoke with said that a company should find a local partner with market expertise and a network of contacts.

Though often a key element of success, finding reliable local partners is one of the main risks of operating in Africa. Part of this is a shortage of deep expertise in specific industries. Very skilled Africans are running successful local businesses, but they may not have the experience in the industry that the company is targeting. However, these local business people know how the business environment operates, have a track record of overcoming challenges in the market, and possess the relationships to enable successful strategy execution. Sometimes the company will need to make tradeoffs to find the “right” partner. For example, a partner with a network of relationships may be more important than one with industry knowledge.

Identifying partners in any market is always a challenge, but in a new market with different regulations and norms, a company may feel that it does not have enough knowledge to make a qualified assessment. The companies we spoke with said they identified partners through a variety of sources. Just as in the US market, management should start with people it trusts and respects. Before arriving in the designated African market, it is helpful to talk to US and European companies already doing business there and speak to members of the African diaspora in the company’s local or regional community. Many Africans living abroad maintain strong relationships with people in their home countries and often have business interests of their own.

The company should then speak to sources on the ground. Consulting and law firms in the United States and Europe can often help to put companies in touch with trusted contacts and potential partners. Local legal counsel can also assist with background checks on specific individuals and companies. In addition, a number of local advisory firms employing both foreign and African experts specialize in assisting companies with market entry and with introductions to reliable local partners. US embassies typically maintain lists of local experts and reliable service providers. If a company has a contract with a US government program, local partners will be vetted as part of the selection process.

Finally, a growing pool of highly educated Africans with work experience in the United States or Europe are returning to their home countries to start businesses or provide advisory services. These individuals can create enormous value by bridging the gap between the different business cultures in the United States and their home countries. But, even with this advantage, companies need to conduct the same onsite due diligence as with any other local partner to be certain that the person has the skills and contacts that the company needs. If the person has been living abroad for many years and just returned, knowledge of changes in the operating environment may be out of date.

highly qualified, are often from the home company, and therefore understand the context of the business.

There are several options for hiring local talent while still achieving business objectives. One alternative is to hire US-educated Africans and transfer them back to their home country, which does not always save money, but supplies staff who can bridge the cultural gap between the US company and the local operating environment and implement US standards in the local context. An additional alternative is to hire local talent, which is generally cheaper and comes with built-in knowledge of the market, including how and when to interact with government officials. Currently, a large pool of qualified and highly trained professionals are not typically available in most African markets. But this is changing as education and training advance. In a conversation with Josh Becker at Impele Consulting Group, he said, “The quality of education is improving in many of the countries, so we are starting to see a larger talent pool of mid-level management. At some stage, perhaps not too long from now, there will be a tipping point, which will lead to all recruiting being done on the continent rather than sourcing from abroad.” In fact, one survey found that 70 percent of African MBA students studying in the United States and Europe plan to return to their home countries. Many companies use a combination of strategies, but eventually hire and train local people who can take over the management of the operation. Investing in training for local partners and on-the-ground staff creates a sustainable model for the company to grow and generates goodwill in the local community.
Conclusion

Africa has reached an inflection point for investment with enormous potential for a wide range of businesses. Immense challenges of infrastructure, electrification, and political stability still exist but are balanced by expansive growth, rapid adoption of technologies, and the diversification of economic sectors. US middle market firms have much to gain by looking now for opportunities in Africa. The 54 markets in the region are diverse and offer companies an array of options in the political, economic, and investment climate they seek and the sector they choose to operate in.

Given the variances between countries, no overall report on Africa can be a specific guide, but there are some core principles for expansion. This report offers three guiding principles for a successful strategy—Be Prepared, Be Adaptive, and Be Local. In addition, a growing set of resources—local, national, and international—can be accessed to navigate the complex landscape. From investment promotion programs of individual African countries and US government trade missions to industry groups focused on Africa and networking with members of local African diaspora, market intelligence is becoming richer every day.

Expanding into Africa requires a long-term view of success. Being willing to modify initial plans, maneuvering through unforeseen challenges, and having the right local partners are critical elements for thriving in African markets. This is especially true for mid-sized companies, where more time and talent will be put forth to establish and maintain the right strategy. Companies will need to effectively deploy resources to grow and adapt with the market over time.

International expansion is not the right answer for all middle-market businesses, but the increasingly global economy has changed the playing field. Ultimately, we hope to stimulate companies to consider a move they may have otherwise thought to be beyond their scope. Investing in Africa can mean a dramatic growth opportunity for US middle-market firms and for the development of the region as a whole. Exploring the opportunity is the first and most important step in the process. The prospective return on a correctly executed approach in Africa is significant and has the potential of outpacing other markets for decades to come.

Appendix: Resources to support expansion and investment

A range of domestic and international, public, and private resources is available to US companies looking to enter the African market. Many US government agencies now have a mandate to promote Africa-related projects and investments. Multilateral agencies such as the World Bank, the International Finance Corporation (IFC), and the African Development Bank (AfDB), are also known for their support of business in Africa. More recently, commercially focused private sector resources have also become available. Industry associations and chambers of commerce have recognized the growing opportunity in Africa and are developing information databases for their members and participating in trade missions. In addition, a limited but growing number of specialized advisory firms have an Africa focus and can provide targeted services for US companies that were not previously available.

The table on page 23 provides examples of organizations in various categories and the types of resources they offer that will help US companies in gathering information, establishing contacts, and accessing funding to expand to African markets. This is by no means a complete list of all available resources, but it provides a sample of the breadth and depth of what exists to assist companies with building a strategy for investing in Africa.
## Appendix: Resources

<table>
<thead>
<tr>
<th>Name of Organization*</th>
<th>Trade Missions/Conferences</th>
<th>Export Assistance</th>
<th>Business Counseling</th>
<th>Funding/Incentives</th>
<th>Network</th>
<th>Data/Statistics</th>
<th>Reports</th>
<th>Current News</th>
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*Hyperlinks are embedded in the organization name.
## Acronyms

AfDB – African Development Bank  
AU – African Union  
BRIC – Collectively, Brazil, Russia, India, and China  
BRVM – West African Regional Stock Exchange (French acronym)  
CAF – Compressed Agricultural Fiber  
CAR – Central African Republic  
COMESA – Common Market for Eastern and Southern Africa  
DRC – Democratic Republic of the Congo  
EIB – European Investment Bank  
FDI – Foreign Direct Investment  
GDP – Gross Domestic Product  
GSMA – GSM Association  
ICA – Infrastructure Consortium for Africa  
ICT – Information and Communication Technology  
IDB – Islamic Development Bank  
IFC – International Finance Corporation  
IMF – International Monetary Fund  
IPA – Investment Promotion Agency  
NGO – Nongovernmental Organization  
OPIC – Overseas Private Investment Corporation  
SMS – Short Message Service  
SSA – Sub-Saharan Africa  
STEG – Tunisian Company of Electricity and Gas (French acronym)  
TBPS – Terabytes  
UEMOA – West African Economic and Monetary Union (French acronym)  
UNCTAD – United Nations Conference on Trade and Development  
UN-Habitat – United Nations Human Settlement Programme  
USAID – United States Agency for International Development
The Emerging Leaders Program

The Chicago Council on Global Affairs’ Emerging Leaders Program is a two-year program that draws the best and the brightest emerging leaders from across business, civic, government, and academic sectors in the Chicagoland area. The program provides the Emerging Leaders (ELs) with a deeper understanding of global issues and Chicago’s place in a globalized world. ELs also develop a strong network of contacts with current civic and business leaders and, perhaps more importantly, with their Chicagoland peers, who are also grappling with global challenges. In short, they emerge better prepared to assume key leadership positions in this new era.

Acknowledgments

The members of this team all contributed over the course of two years to the discussion and debate in the development of this topic and report. Throughout the second year they were briefed by experts in Washington, DC, and Chicago, who provided invaluable insights for their research. The Chicago Council would like to express our gratitude to the following individuals for taking time out of their busy schedules to brief this group and share their experiences and views: Tahar Achour, president, National Chamber of Renewable Energy (Tunisia); Leila Aridi Afas, director, Export Promotion, USDTA; Edwin Barber, advisor, GoodWorks International LLC; Josh Becker, cofounder and chief executive officer, VestedWorld Management of Fortis Microfinance Bank, Abuja, Nigeria; Richard China, chief executive officer, International Green Structures, LLC; Lee Clegg, president, Africa Business Portal; Ambassador (ret.) Herman J. Cohen, president and chief executive officer, Cohen and Woods International, former ambassador to Gambia and Senegal, former Africa director for the US National Security Council, former US assistant secretary of state for African affairs; Senator Dick Durbin, US senator for Illinois and assistant majority leader; Theodore E. Deutch, US representative for Florida, House Judiciary Committee, House Ethics Committee, and House Foreign Affairs Committee; William Finn, senior vice president, Fifth Third Bank; Clement Fondufe, head of Africa practice, Latham & Watkins; Nathalie Gabala, director of investments, Africa, Equator Capital Partners; Ambassador (ret.) William Garvelink, senior advisor, International Medical Corps; Hatem Goucha, member, Tunisian American Young Professionals; Brian Gramm, chief executive officer, Peppermint Energy; Adam Hartmann, head of operations and investor relations, Frontier Investments Group, ACCION International; Kem Ihenacho, partner, Latham & Watkins; Rachid Izzar, vice president commercial–international, AstraZeneca; Bahija Jallal, executive vice president, AstraZeneca, head of MedImmune; Pete Jenkner, president, Isovac products LLC; Katrin Kuhlmann, senior advisor to the president, Corporate Council on Africa; Burt Lang, senior managing director Africa, Varian Medical Systems; Chid Liberty, chief executive officer, Liberty and Justice; David Makovsky, director, Project on the Middle East Peace Process, The Washington Institute; Mohamed Malouche, chairman of the board, Tunisian American Young Professionals; Anis Mnif, project manager, Tunisian Handicraft Export Program, Tunisian American Young Professionals; Michael Murai, senior investment officer, Frontier Investments Group, ACCION International; Don Niss, deputy coordinator, Power Africa Initiative, USAID; Kara M. Palamountain, research assistant professor and executive director, Global Health Initiative, Kellogg School of Management, Northwestern University; Bobby J. Pittman, managing director, Kupanda Capital; Robert Shambora, chief executive officer, AGES-Athena Global Energy Solutions; Jacob Sitati, managing principle, Maurice+Fischer LLC, lecturer, International Studies at Valparaiso University; Karina Wong, independent emerging markets consultant.

Council staff Molly O’Donnell worked with the group throughout the two-year process and Council intern Emma Swanson assisted in editing. Ellen Hunt of Hunt Communications edited drafts of the report. Ikbel Achour created all graphics. None of this great work would have been possible without the vision, leadership, and support of John F. Manley and Shirley Welsh Ryan, both vice chairs of The Chicago Council’s Board of Directors. They, along with the other members of the Emerging Leaders Selection Committee,
invested significant time in selecting the members of this class.

Their efforts have resulted in another great group that The Chicago Council is proud to have as Emerging Leaders. Our sincere appreciation goes to the Robert R. McCormick Foundation and the Patrick G. and Shirley W. Ryan Foundation for their support of the Emerging Leaders Class of 2015.

Ivo Daalder  
President, The Chicago Council on Global Affairs  
June 2015

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*Vice President Development, Tunisian American Young Professionals Organization*

Ikbel Achour works to translate cutting-edge science into patient care. As director of precision health at the University of Arizona, she leads and manages the research and development team in translational research and computational biology at Lussier’s Group. She focuses on developing precision medicine-based technologies, integrating genomic data with patient medical records to predict and improve clinical outcomes as well as repositioning and rescuing drugs. As funding chair of Women In Bio (WIB), Achour works with both the academic and business communities of Illinois and beyond to promote career development and entrepreneurship. In addition, as vice president of development for the Tunisian American Young Professionals Organization and a part of the Tunisian diaspora in the United States, she is deploying initiatives to promote economic opportunities for investment and partnership with US companies in North Africa, particularly Tunisia. In the last four years, she has also actively participated in “Tunisia, a Democratic Start-up” initiatives to empower individuals and businesses. Achour earned her PhD in immunology (immunogenetics) from the Institute Pasteur-University Paris VII and her BE in biotechnology and bioindustry from the National Institute of Applied Science and Technology in Tunisia.

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Ross Shelleman serves as president and CEO of Target Data, a marketing analytics and services company. Prior to founding Target Data, Shelleman held various senior business development positions across a multitude of industries, including technology, health care, and managed services. He also cofounded Australian Portable Storage, a holding company that owns and operates moving and storage franchises throughout Australia. In addition, he serves as chairman of Arco Capital Partners, an investment holding company that makes angel investments and leads small private equity transactions. He also serves on the advisory board of Flow Equity, a holding company that operates a series of poultry farms in Ethiopia. Shelleman is a member of the Economic Club of Chicago. He earned a BA in English from Franklin and Marshall College.
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Lisa G. Thomas is the director of investments-Asia for Equator Capital Partners LLC (ECP), a fund management company that manages private equity funds that invest in economies throughout Africa and Asia to promote sustainable economic, social, and environmental development through private sector investments. She is responsible for sourcing and managing attractive investment opportunities that fit the company’s social mission. Prior to joining Equator Capital, Thomas was vice president of capacity building and operations for CapitalPlus Exchange, ECP’s capacity-building partner. In this role, she was responsible for developing the infrastructure of socially oriented financial institutions in Asia and Africa to meet profitability and impact goals. She has also worked in investment banking, research, and consulting in New York and Chicago. Thomas serves on the board of Khushhali Bank Limited, the largest microfinance bank in Pakistan, as well as on the advisory board of VestedWorld, a US-based online investment platform connecting investors to opportunities in emerging markets. She is also an advisor for start-up companies in Impact Engine’s 16-week accelerator program based at 1871, Chicago’s entrepreneurial hub for digital startups. Thomas earned an MBA from the University of Chicago Booth School of Business in 2006 and a BS in business administration (finance concentration) with honors from the University of Oregon in 2000.

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In these roles Unnikrishnan was based within the government and worked alongside the core members of the president’s team. Unnikrishnan earned a BA in economics and sociology from Davidson College in North Carolina, an MBA from the Wharton School at the University of Pennsylvania, and an MA in international relations from the School of Advanced International Studies, Johns Hopkins University.

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Senior Consultant
Health Management Associates

Kuliva Wilburn is a strategic planner with extensive experience in the philanthropic sector, building cross-sector partnerships and analyzing health policy. Prior to joining Health Management Associates, Wilburn served as the senior program officer for health at the Chicago Community Trust. She provided oversight for the foundation’s health grant-making portfolio of more than $11 million, representing health-care policy, advocacy, and system integration in the arenas of improved access, reform implementation, and obesity prevention. Previously, Wilburn oversaw planning and development for a federally qualified health-care network. She managed an $8 million portfolio of community health grants from private and public institutions, led community assessment processes, and facilitated strategic planning, fundraising, and program development. Wilburn’s previous work and academic background in biotechnology have afforded her opportunities to work with NASA as well as several large pharmaceutical companies. She also has many years of experience consulting on and researching community health initiatives. Ms. Wilburn received a BS degree in biochemistry from Drexel University and an MPH degree from the University of Illinois at Chicago. She is currently a student in the doctoral program in the University of Illinois at Chicago School of Public Health.
Endnotes

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The Chicago Council on Global Affairs, founded in 1922, is an independent, nonpartisan organization committed to educating the public—and influencing the public discourse—on global issues of the day. The Council provides a forum in Chicago for world leaders, policymakers, and other experts to speak to its members and the public on these issues. Long known for its public opinion surveys of American views on foreign policy, The Chicago Council also brings together stakeholders to examine issues and offer policy insight into areas such as global agriculture, the global economy, global energy, global cities, global security, and global immigration. Learn more at thechicagocouncil.org and follow @ChicagoCouncil.